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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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SUPPLEMENTAL DECLARATION OF BERNARD J. QUICK
IN SUPPORT OF DELPHI'S MOTION FOR AUTHORITY TO REJECT
COLLECTIVE BARGAINING AGREEMENTS UNDER 11 U.S.C. § 1113(c) AND
MODIFY RETIREE WELFARE BENEFITS UNDER 11 U.S.C. § 1114(g)

I, Bernard J. Quick, declare and state as follows:

1. I submit this supplemental declaration in support of the Debtors' Motion For Order Under 11 U.S.C. § 1113(c) Authorizing Rejection Of Collective Bargaining Agreement and Under 11 U.S.C. § 1114(g) Authorizing Modification Of Retiree Welfare Benefits (the "Motion"). Capitalized terms not otherwise defined in this supplemental declaration shall have the meanings ascribed to them in my original declaration, filed March 31, 2006 ("March 31 Declaration"). Except as otherwise stated, all facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, my opinion, my experience with and knowledge of Delphi's labor relations, or are based upon knowledge obtained from Delphi employees reporting to me in the course of their duties. If I were called upon to testify, I could and would testify to the facts set forth herein.

2. As discussed in my March 31 Declaration, in my current position with Delphi, I have, among other responsibilities, the role of negotiating, or overseeing the negotiation of, Delphi's National and Local Agreements with the IUE-CWA and the USW.

I. Meetings With The Unions Regarding Delphi's Declining Financials And Proposals

A. The IUE-CWA

3. As discussed in the Supplemental Declaration of Kevin Butler, Delphi met with the IUE-CWA, and provided them with its initial proposals pursuant to Sections 1113 and 1114, on October 20, 2005. Since October 20, 2005, I have met with the IUE-CWA on nineteen separate occasions regarding Delphi's Section 1113 and Section 1114 proposals and the state of Delphi's financial condition. My most recent meetings with the IUE-CWA have focused on a proposed attrition program for IUE-CWA represented employees. The timing and subjects of these meetings are summarized below and in the chart filed herewith as Exhibit A. Neither my

discussion below, nor the chart attached hereto as Exhibit A, reflect the almost daily telephonic and electronic communications that occurred between me and representatives of the IUE-CWA regarding their questions about Delphi's proposals, Delphi's financial situation and other related information.

4. Between October 20, 2005 and December 15, 2005, when Delphi withdrew its Competitive Benchmark Proposals, I met with the IUE-CWA on one occasion. Delphi withdrew its proposal after consultation with the IUE-CWA and the UAW, in an effort to facilitate negotiations. While Henry Reichard of the IUE-CWA indicated in his November 23, 2005 letter to me that the IUE-CWA was working on a counterproposal, the IUE-CWA has not yet presented Delphi with any such proposal. A copy of Mr. Reichard's November 23, 2005 letter is attached hereto as Exhibit B.

5. On April 4, 2006, the IUE-CWA presented to Delphi a proposed attrition program for IUE-CWA represented employees. This proposal, however, seems unrelated to the proposal referenced in Mr. Reichard's letter because Delphi was not involved in discussions with the Unions regarding an attrition program in November 2005. To date, Delphi has not received a counterproposal from the IUE-CWA addressing specific terms of either the Competitive Benchmark or GM Consensual Proposals.

6. Between Delphi's December 19, 2005 withdrawal of the Competitive Benchmark Proposals and March 24, 2006, when Delphi formalized its GM Consensual Scenario, I met with the IUE-CWA on eight occasions. We met to discuss the IUE-CWA's specific questions regarding the Competitive Benchmark Proposals as well as to give updates on the state of Delphi's financial condition. During certain of these meetings in March 2006 we discussed the negotiation of an attrition program for IUE-CWA employees.

7. I met with the IUE-CWA on eight occasions after Delphi provided the Unions with the GM Consensual Proposals on March 24 and March 25, 2006. Although Delphi formalized its proposals on March 24, 2006, Delphi began discussing most of the concepts memorialized in the GM Consensual Proposal with the IUE-CWA as early as January 2006.

8. Despite these efforts, to date Delphi has been unable to reach a consensual agreement with the IUE-CWA.

B. The USW

9. Since providing the USW with Delphi's Section 1113 and Section 1114 proposals in October 2005, in addition to the meetings with the USW described in Kevin Butler's Declaration, Delphi met with the USW ten times to address their specific questions. During each of these meetings, Delphi responded to the USW's questions regarding its proposals and the general financial state of the company.

10. A chart reflecting my meetings with the USW from October 2005 to the present is attached hereto as Exhibit C.

11. In addition to these meetings, I had telephone conversations with representatives of the USW generally on a weekly basis. Consistent with Delphi's history of pattern bargaining, Delphi has kept the USW informed of the status of its negotiations with the UAW and the IUE-CWA. The chart attached as Exhibit B does not reflect these communications.

12. Both the IUE-CWA and the USW, which have represented GM and Delphi employees for decades, understand the pattern bargaining dynamic at Delphi. Delphi provided its proposals to all of the Unions and made itself available to negotiate with each Union regarding a consensual resolution. In the typical bargaining pattern at Delphi, however, Delphi would reach agreement first with the UAW, then with the IUE-CWA, and then with the USW.

Furthermore, until filing their Objections to the Motion, neither the USW nor the IUE-CWA objected to Delphi's pattern bargaining or specifically to the pursuit of negotiations primarily with the UAW. And, despite their factual assertions, the IUE-CWA and the USW informed Delphi – expressly or implicitly – that they understood that Delphi's negotiations would proceed first with the UAW.

13. Regardless of this pattern, Delphi has responded to all of the USW's requests to meet and has made clear that it would discuss any counterproposal the USW made. Despite these efforts, the USW has provided Delphi with no counterproposal and, to date, Delphi has been unable to reach a consensual agreement with the USW.

I declare under penalty of perjury, and pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 1st day of May, 2006

/s/ Bernard J. Quick
BERNARD J. QUICK

Exhibit A

Highly Confidential - Not Filed

Exhibit B



Automotive Conference Board

November 23, 2005

VIA E-MAIL AND U.S.MAIL

Bernard.quick@delphi.com

Mr. Bernie Quick, Director
Labor Relations
Delphi Corporation
5825 Delphi Drive
M/C 480-410-128
Troy, Michigan 48098

Dear Mr. Quick,

On November 15, 2005, Delphi presented the IUE-CWA with a second proposal on wages and benefits. Those present at the meeting from Delphi were Mark Weber, Darrell Kidd, Kevin Butler and you as well as IUE-CWA Representative Steve Lykins and myself.

During the discussion, Delphi presented a list of benchmarked companies used to formulate the wage and benefit levels of your proposal. Through documentation and conversations, Delphi acknowledged that the wage and benefit levels are those of new hire employees at these companies. Also during these discussions, it was stated to the Union that the proposal only affects those employees who are above this proposed wage and benefit level. As I am sure you are aware, over the years the IUE-CWA has negotiated numerous local agreements that are well below the wage and benefit proposal that Delphi has presented. This being said, the IUE-CWA finds it very difficult to formulate a counter proposal when in your own words we are already below your November 15, 2005 proposal in most of our facilities.

Even considering the seemingly insurmountable hurdles that Delphi has placed in the path of this negotiating process, the IUE-CWA is with all due diligence preparing a counterproposal to present to Delphi in the near future.

Sincerely,

Henry Reichard
Chairman IUE-CWA
Automotive Conference Board

HR:g

c: Kevin Butler(via e-mail;)

Darrell Kidd	"
Beth Sax	"
James D. Clark	"
Peter Mitchell	"
Alexia McCaskill	"
Willie Thorpe	"

Exhibit C

Highly Confidential - Not Filed